

Law Offices of
Bennet & Bennet, PLLC
1831 Ontario Place, NW, Suite 200
Washington, DC 20009

ORIGINAL

Caressa D. Bennet
Michael R. Bennet

Tel: (202) 319-7667
Fax: (202) 319-9205

e-mail: cbennet0@counsel.com

Of Counsel:
Anthony E. Cukier
Frederick J. Day

October 17, 1995

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: CC Docket No. 94-54
Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Services

EX PARTE NOTICE

Dear Mr. Caton:

In accordance with Section 1.1206 of the Rules and Regulations of the Federal Communications Commission, the purpose of this letter is to provide notification that Richard Ekstrand, President of Rural Cellular Corp. ("RCC"); William Casto, General Manager of Cellular Mobile Systems of St. Cloud ("CMSSC"); Caressa Bennet and the undersigned, both counsel for RCC and CMSSC, met this date with John Cimko, Chief of the Wireless Telecommunications Bureau's Policy Division; Michael Wack, Deputy Chief of the Policy Division; Jeff Steinberg, senior attorney in the Policy Division; and Pam Megna, senior economist in the Policy Division, to discuss the pending Second Notice of Proposed Rule Making in the above-captioned proceeding. RCC and CMSSC presented their views on the issue of mutual compensation, supporting the adoption of a rule that would establish a "bill and keep" arrangement for CMRS interconnection. Certain written supporting materials were also provided. An original and one (1) copy of these materials, including a summary of the RCC/CMSSC position, is enclosed herewith.

Should you require any additional information, please feel free to contact the undersigned.

Very truly yours,

Michael R. Bennet

Michael R. Bennet

Enclosure

cc: John Cimko
Michael Wack
Jeff Steinberg
Pam Megna

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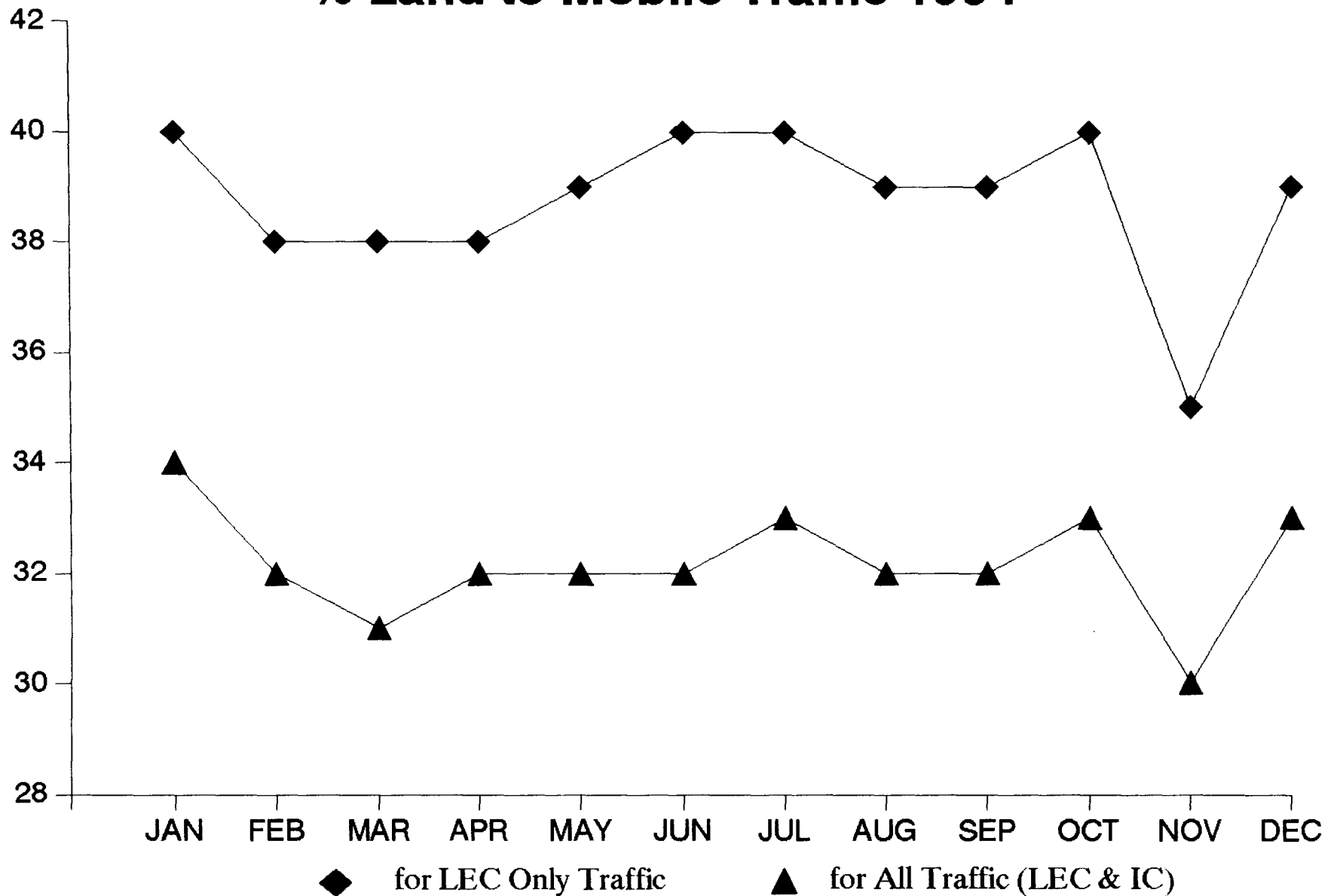
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LEC/CMRS COMPENSATION ISSUES

1. The FCC's current interest in fostering the development of CMRS, both as a competitive wireless service and as a potential LEC competitor, along with the amendments to Section 332(c) of the Communications Act included in the 1993 Budget Act, provide an opportunity to seek Federal preemption of state policies that deny CMRS providers mutual compensation. Rather than seek mutual compensation based on a carrier's proposed cost of service, the proposed position would permit the FCC to accomplish its goals by adopting a "sender keeps all" approach whereby LECs and CMRS providers would not charge each other for terminating one another's traffic.
2. Given the benefits of "originate and keep" as an interconnection pricing mechanism, we suggest Federal preemption of LEC - CMRS interconnection. We maintain that the rates CMRS providers charge to LECs for completing LEC traffic are logically classified as rates charged by a CMRS provider under Section 332 of the Communications Act.
3. Therefore, if the FCC can preempt states from regulating the rates CMRS providers charge to LECs, and if mutual compensation is a legitimate Communications Act policy.
4. The Commission should be entitled to preempt the LECs' interconnection rates that are now subject to state authority.

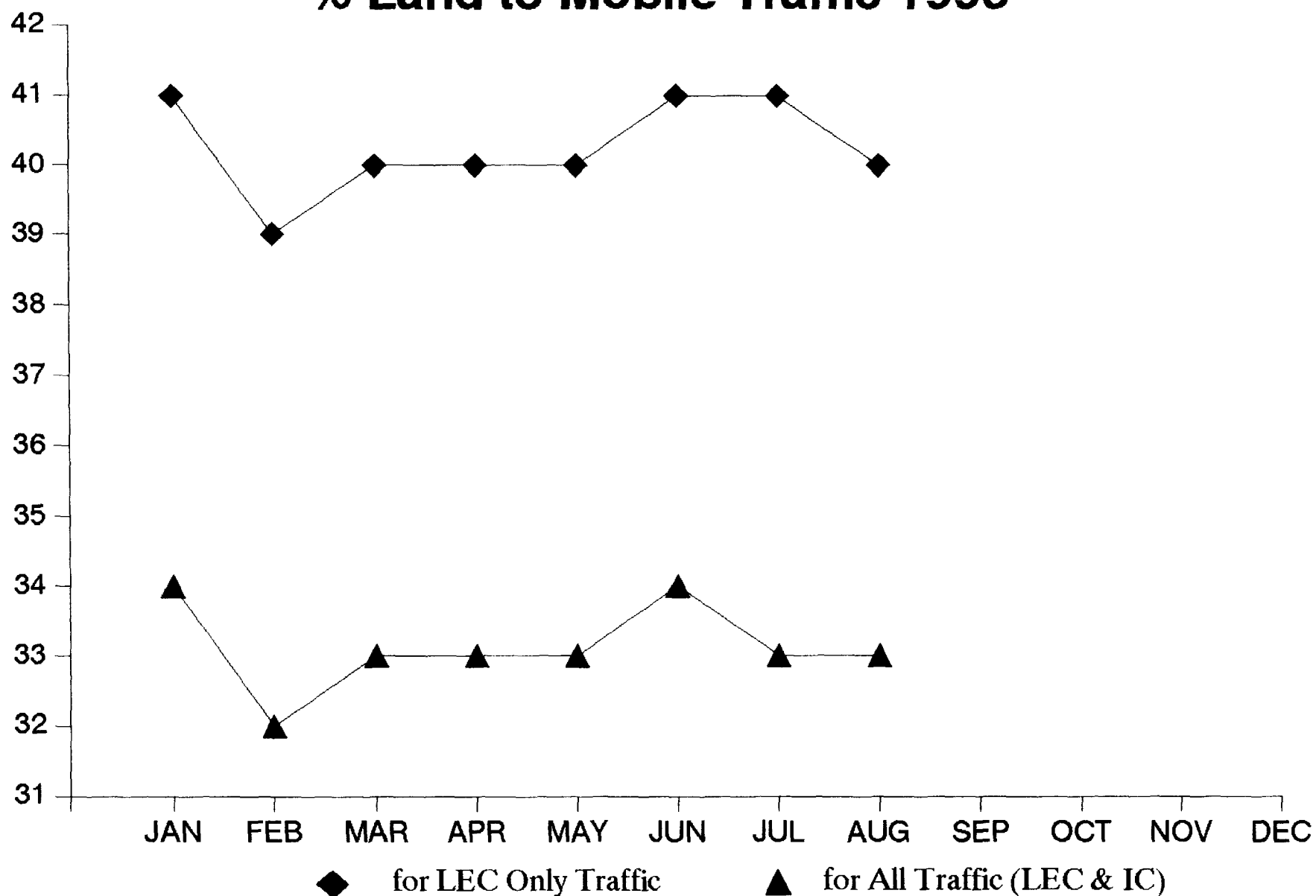
Cellular 2000

% Land to Mobile Traffic 1994



Cellular 2000

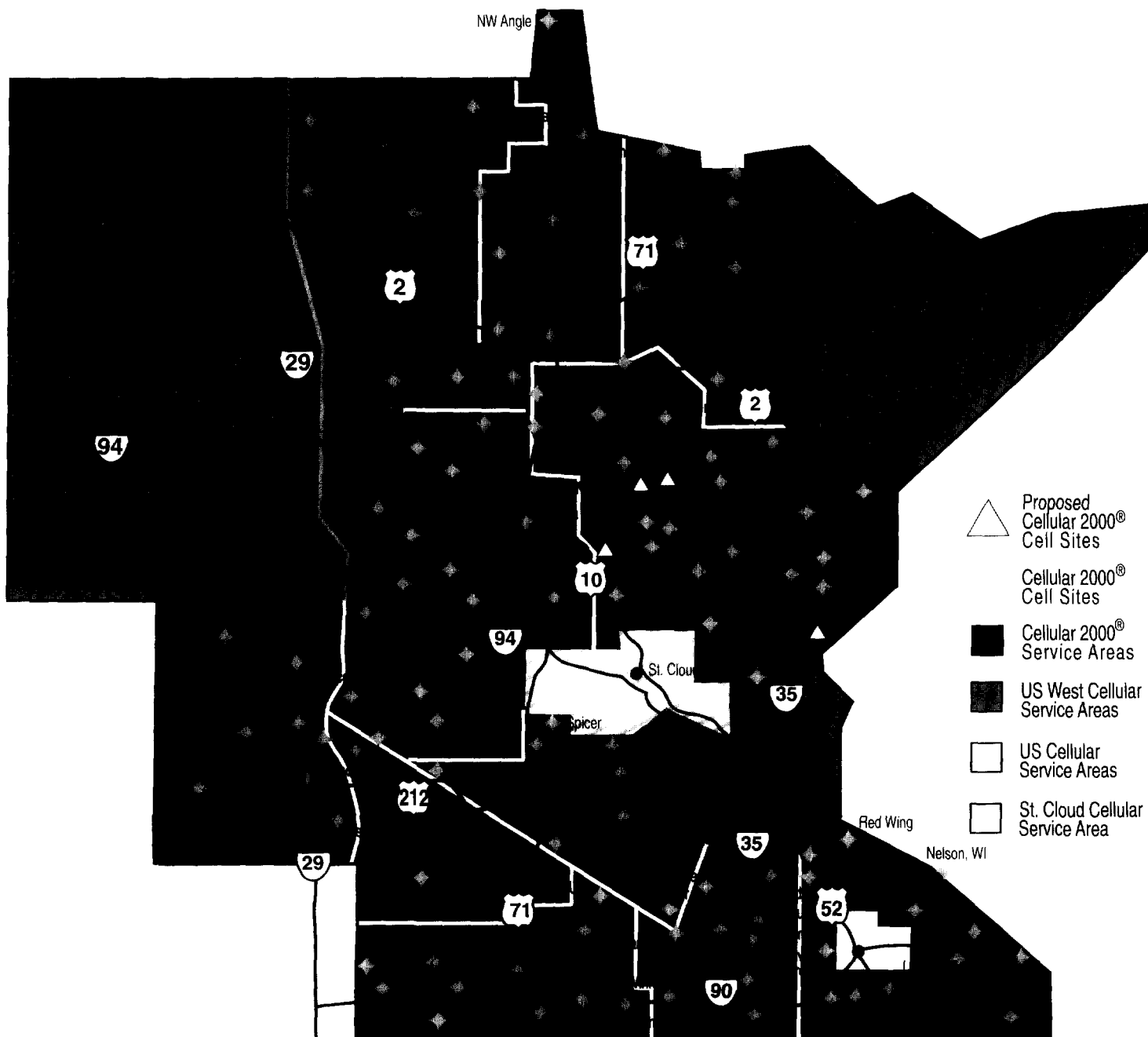
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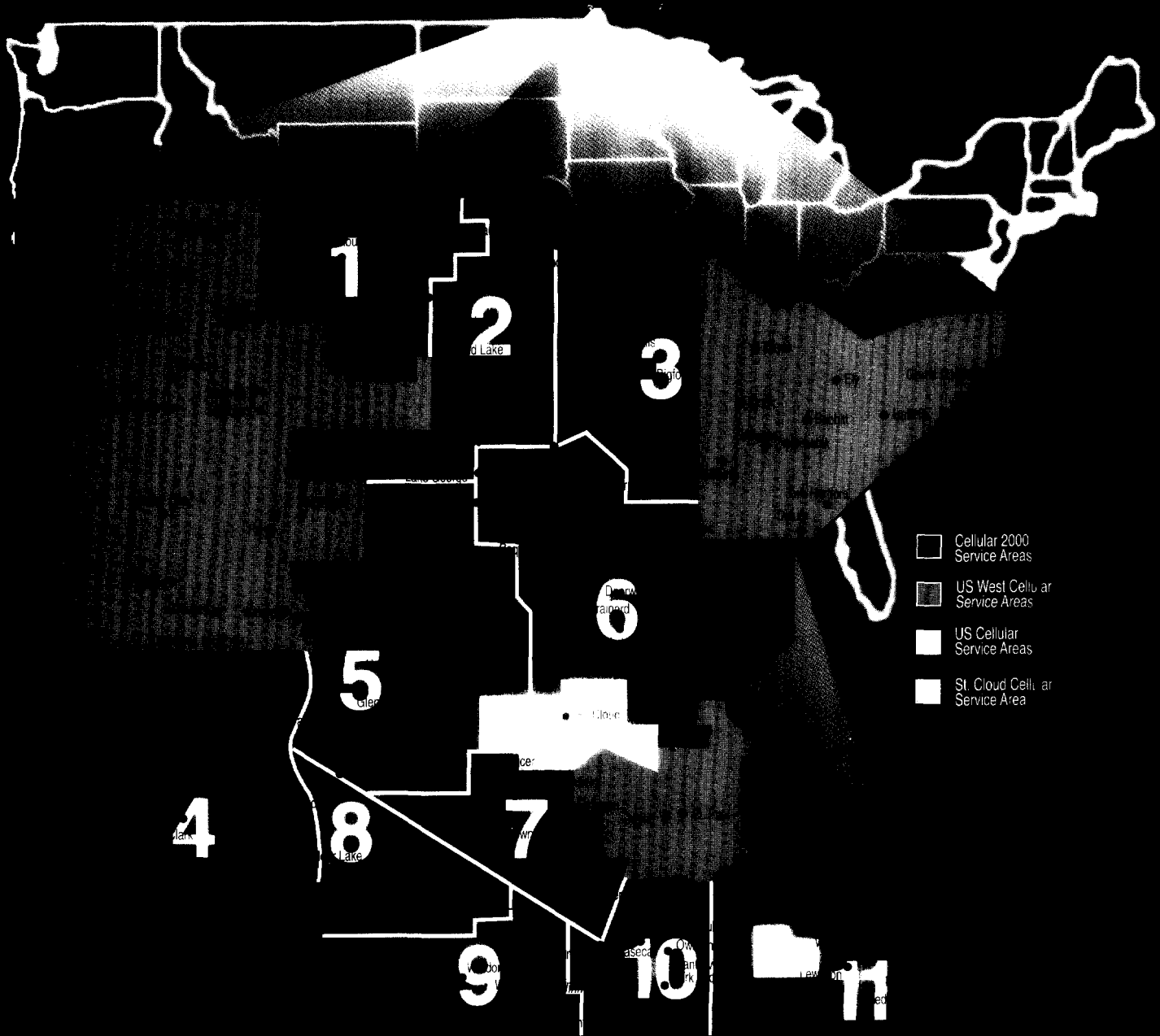


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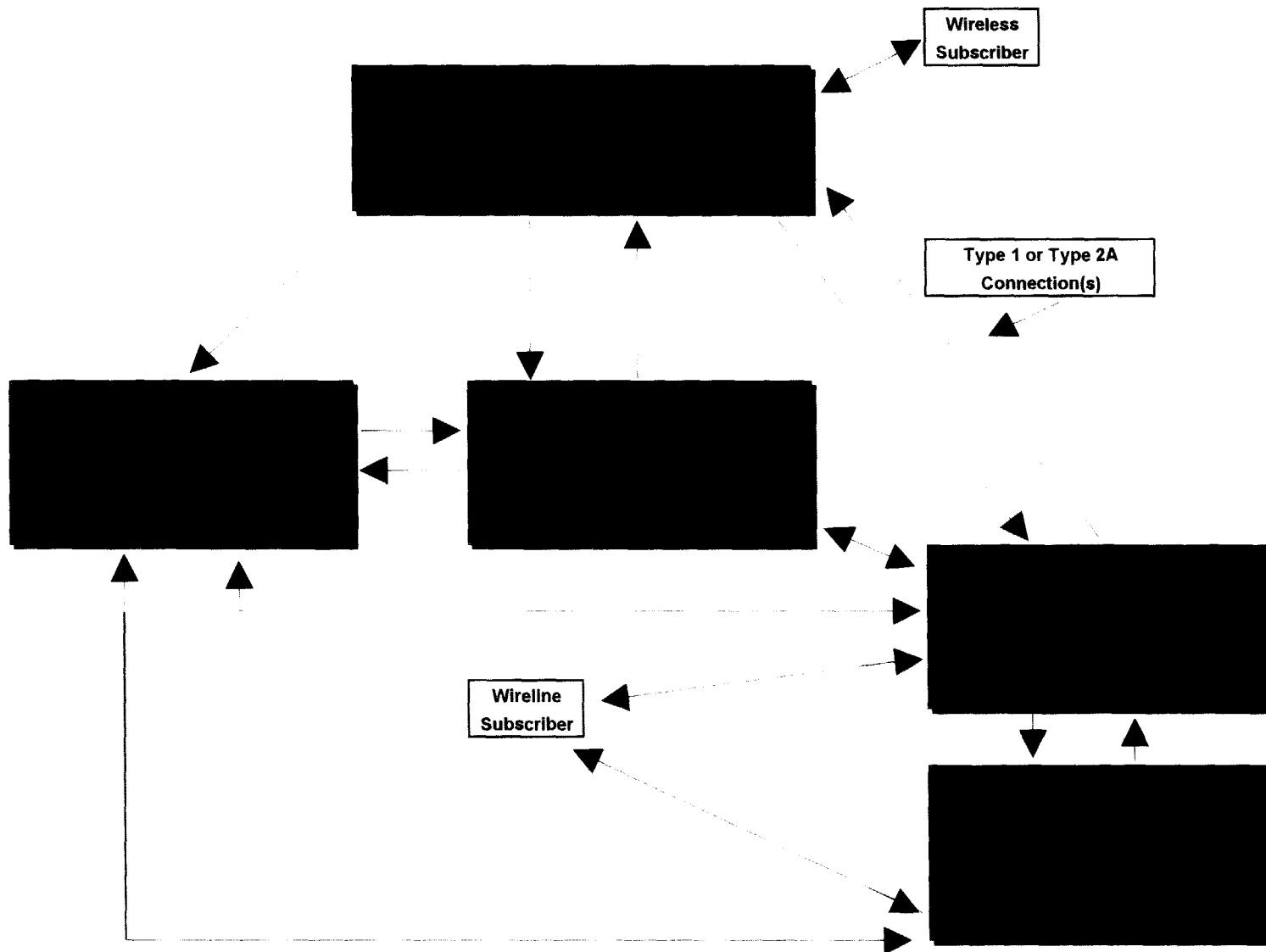
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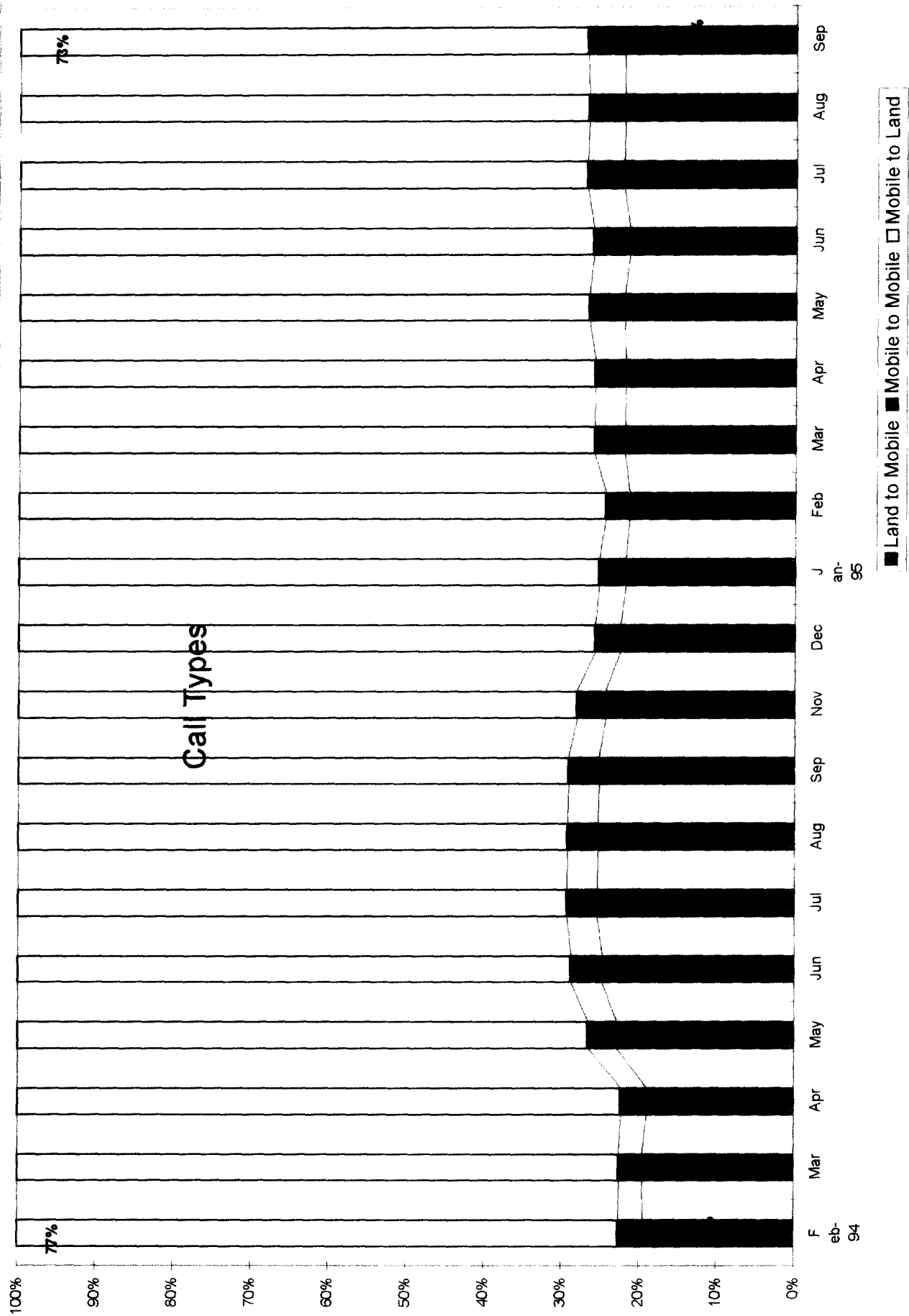
YOUR PERSONAL COMMUNICATION SERVICE



Call Possibilities - Interconnection

EXAMPLES BASED ON ST. CLOUD, MN. CONFIGURATIONS

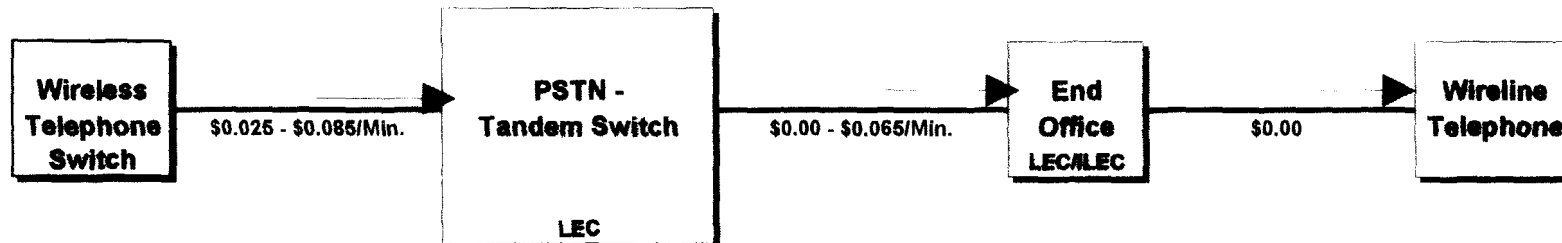




Type 2A Call Processing Chart

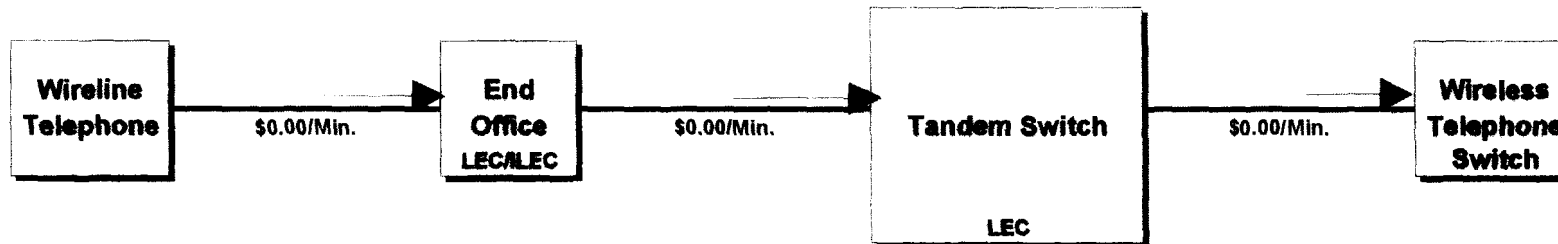
EXAMPLES BASED ON ST. CLOUD, MN. CONFIGURATIONS

Wireless to Wireline Termination



Note: If the LEC/ILEC is within the EAS of the Tandem, there is \$0.00 terminating access paid even though the Wireless pays \$0.085.

Wireline to Wireless Termination



Call Attempts

Over Local Type 2A per Month

